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LABOR PROSPECTS IN GREAT BRITAIN

BY G. D. H. COLE

THE British Labor Movement, after a period during which the realities of the after-war economic situation have been concealed by the artificial "prosperity" of reconstruction, has found itself, during the last few months, face to face with a set of circumstances exceedingly unfavorable to the realization of its hopes. Until a few months ago, the cost of living was still rising sharply, and wage advances were still being conceded. Increased living costs were partly due to the operation of normal economic forces, but partly also to the cessation of war measures designed to ensure supplies or to keep prices down. The effect of these steps of "de-control" was to conceal the beginnings of the downward movement of world prices, which were the earliest indications of the coming slump. It is true that, for some time before the slump arrived, wage increases had been coming more and more difficult to obtain—a fact which was also indicative that the curve of prices had reached its apex. The signs of the coming slump, however, were not clear enough to prevent the Trade Unions from being taken largely by surprise, when the great attack upon "war wages" was launched at the beginning of the present year.

The central point in this attack was, of course, the mining industry. When the Government deliberately advanced the date of de-control from August to March, its action was due partly to the financial stringency, but also undoubtedly to the desire of the powers behind the Government to force an issue on the wages question. The mining industry had passed, with extraordinary rapidity, from great "prosperity," dependent on the sale of export coal at inflated prices, into deep depression, following on the collapse of the export markets. It was believed that the conditions were so unfavorable that the miners, as "economic men," would be compelled to accept the wage reductions and the district basis of settlement which the Government and the owners alike

desired; and accordingly in March the attack was delivered, in full confidence that "the inevitable" would be accepted.

The miners, however, were not "economic men"; and, although the conditions made it practically impossible that they should successfully oppose the reductions and terms which it was desired to impose upon them,—unless, indeed, the original issues became merged in the wider questions to which a general Labor upheaval would give rise,—they determined to resist. The great mining lock-out or strike (it does not matter which it is called, if it is understood that the miners' part was purely one of resistance) therefore broke out. At one time, when the Triple Alliance had definitely decided on a sympathetic strike of railwaymen and transport workers, it seemed that a general upheaval would follow. But Mr. J. H. Thomas and other leaders, including some of the miners, were strongly opposed to any conversion of the dispute into a generalized struggle; and, a convenient occasion arising on the refusal of the miners to meet the Government on a particular basis, the strike threat of the Alliance was cancelled.

It then became clear that the miners would have to struggle alone, and that, under these conditions, their defeat was inevitable. For it was perfectly true that, unless its basis of organization was fundamentally altered, the coal industry could not, in its state of depression, grant the terms which the miners desired, even though these involved no more than the retention of the *status quo*. For the *status quo* was dependent on the continuance of State control, and this the Government was determined to sweep away. The power of endurance shown by the miners, in face of the severe privations which the prolonged stoppage involved, was amazing, and even to the last a ballot vote of the men would probably have favored a continuance of the struggle. But defeat was bound to come sooner or later and, seeing this, the executive finally took their courage in both hands, and practically enforced a resumption of work. By doing this, they at least kept their organization intact in readiness for better times.

The coal dispute settled far more than the immediate future of the mining industry. It settled also the fate of the wage negotiations which were proceeding, or followed immediately upon it, in other industries. Up to the time of the Triple Alliance collapse,

it seemed probable that in most industries, except where wages were definitely regulated by sliding scales, the Trade Unions would make a serious attempt to stand out for the retention of war-time rates of wages. As soon, however, as the prospect of a general coördinated resistance disappeared with the withdrawal of the railwaymen and transport workers from the field of conflict, other Trade Unions made haste, wherever they could, to settle their differences with the employers. There were, indeed, limits to the extent of the concessions they were prepared to make, and, as long as the coal dispute went on, employers, who could not get coal to restart their works, had no incentive to compromise. As soon, however, as a speedy return to work in the mines was seen to be inevitable, the employers in other industries were hardly less anxious to restart than the Trade Unions were to settle, and compromises, involving substantial wage reductions at least corresponding to the fall in prices and sometimes going beyond it, were speedily concluded. In the cotton industry there was a brief general stoppage; but this ended as soon as the coal supply was assured, very heavy wage reductions being accepted.

The effect of the coal dispute on the general industrial situation can thus be easily apprehended. This, however, is by no means the limit of its significance. As soon as the Armistice was signed in 1918, every big Trade Union bethought itself of the claims which it had held in suspense during the war, and made haste to revise and bring forward its "National Programme" of demands. These programmes, of course, varied widely from industry to industry; but almost all of them involved considerable changes of economic structure. The miners and the railwaymen had, as the central features of their programmes, the demand for public ownership, combined with an effective share in the "control", of the services in which they worked. In many other industries, the demand for a share in control was combined with the claim for "industrial maintenance", that is, for the guarantee of full-time work or wages and the abolition of casual labor and under-employment.

During the year 1919, these and similar claims were brought forward in one industry after another. The Trade Unions were definitely in possession of the initiative; and their demands were

met for the most part in a conciliatory spirit. The moment was favorable, from the standpoint of the Trade Unions; and the Government and the employers were alike anxious to avoid a premature conflict. This, as everyone would now admit, was the reason why during the first half of 1919 the Trade Unions appeared to be gaining important victories. The Government averted a coal stoppage in February, 1919, by the appointment of the Coal Commission, and staved off many disputes which were threatening in other industries by the summoning of the National Industrial Conference of employers and Trade Unionists. The Coal Commission produced its reports, decisively condemning the existing system in the mining industry. The representative employers and Trade Unionists at the Industrial Conference unanimously agreed on certain important measures of reform, including both the universal enforcement by law of the forty-eight hours' maximum working week, further minimum wage legislation, better provision for unemployment, and the establishment of a permanent National Industrial Council, to be consulted by the Government on all industrial issues.

The measures staved off the immediate crisis, at the cost of committing the Government and the employers to large measures of reform which they were most unwilling to carry into effect. There began, therefore, a long campaign of delay, in which the Government again and again postponed the execution of its pledges, without positively refusing to carry them out. Meanwhile, the position was gradually changing to the disadvantage of the Trade Unions. The first force of the post-war impulse towards better conditions was gradually slackening, and the delay was serving to diminish the expectation of "better times" and a "new industrial order" which the lavish war-time promises of the Government had aroused. On the other hand, the forces antagonistic to change had been fully mobilized as a result of the dangerous attack levelled against them through the Coal Commission, and the first premonitions of the coming slump were beginning to be heard in business circles.

The first definite proof of the changed situation was the increasingly definite opposition of the Government to the demands for public ownership and democratic control of the coal industry,

in accordance with the recommendations of the majority of the Sankey Commission. By the autumn of 1919, it was plain that the Government would not, of its own will, carry out the recommendations, and the miners accordingly considered what action they should take. They decided to appeal to the rest of the Labor movement to help them; but a propagandist campaign—the “Mines for the Nation” campaign—failed to arouse public interest, and at the end of the year the Unions decided against “direct action” to enforce public ownership and democratic control, and in favor of the adoption of political methods.

This in effect amounted to a recognition by the Trade Unions that the carrying out of their policy involved a change of Government. There was, however, no method by which such a change could constitutionally be brought about; for the House of Commons, elected in December, 1918, for five years, was not near its termination, and, although the Government was faring ill at by-elections, the process of attrition, in face of the huge majority, was far too slow to be effective. It therefore became clear that, insofar as the Trade Union demands involved a change in industrial system or ownership, they were not immediately realizable. There were many who considered that they might still have been forced upon the Government by a drastic policy of “direct action”; but the majority shrank back before the dangers and possible revolutionary implications of such a course.

What was true of the mines was true also, in much the same measure, of the railways. The Government was understood to have promised, in 1918, to nationalize the railways; but it became clear that this promise too would remain unfulfilled. Hence the Unions were compelled to accept a construction of their immediate aims, and to concentrate on those which there was some hope of attaining without any drastic change of industrial system. Nevertheless, the larger demands remained in the background as an influence affecting the attitude of both employers and workers towards the lesser questions at issue; and the very sense of frustration caused by the setbacks of 1919 stimulated the demand for a more aggressive policy which was urged by a considerable minority within the Trade Unions.

Until the mining dispute which has recently ended, the idea of

"direct action," or industrial action as a means of securing concessions, was still in the ascendant. It was waning as the economic position became worse; but it was not until the defeat of the miners was seen that the limitations on effective industrial action under adverse economic conditions were brought fully home. Almost every industry, however, had cause to find out this truth for itself during the first half of 1921; for almost every industry was confronted with big demands from the employers, and had the alternatives before it of making large concessions or of striking or being locked-out under circumstances manifestly unfavorable to resistance. In most cases, after more or less delay, the Trade Unions reached their conclusion, and accepted the inevitable.

Great Britain, in common with some other great industrial countries, has thus witnessed, since 1918, a startling turn of the wheel of industrial fortune. The initiative has passed from the Trade Unions to the employers' associations, and the counter-offensive of the latter has already secured on most points at least a temporary decision in their favor. Not only have the Unions failed to make good any of their important post-war demands: many of the concessions gained during the war period are also being swept away. The agricultural workers are being deprived of their legal minimum wage: standard wage rates are being cut down by more than the amount corresponding to the fall in prices: such concessions as the guaranteed week and the eight hour day, gained by many trades, are being seriously menaced, if they have not already been lost; and it is becoming an accepted principle that pledges given no longer hold good in face of "changed economic conditions."

According both to the Government and to the employers, the reversals of policy and withdrawals of concessions which are taking place, and still more the disappointment of Labor's larger hopes, are the inevitable outcome of the industrial situation. Employers must withdraw concessions and reduce wages because they cannot afford to pay the sums demanded in view of the decline of trade; and the Government too must cut down expenditure to the minimum, wherever the pretensions of commercial imperialism, which is still strong enough to dominate policy, do

not require continued extravagance. There is obviously no answer to these contentions, on the basis of the assumptions which the Government and the employers accept as being correct; and, this being so, Labor is once more driven to the conclusion that hardly one of its aspirations can be satisfied, and that even its present position cannot possibly be maintained, without a change of Government. The close alliance between the Coalition Government now in power and the big employers' associations has, of course, immensely facilitated the counter-offensive of capital during the past year; and Labor has come to realize that, if it desires to carry out big industrial changes, it is indispensable that it should have the Government of the country on its side.

The pendulum, therefore, has swung from industrial to political action. There are, indeed, two possible morals of the recent set-backs; and each of them is drawn by a section. The Communists, a small and recently established but growing party, draw the moral that nothing short of revolution will achieve the results desired by the Labor movement. The constitutionalists of the Labor Party, on the other hand, see the need for intensive Parliamentary activity, with a view to a coming General Election, as the moral of the hour. The great bulk of the British Trade Union movement is certainly not Communist, though the persecution of Communists by the Government, and the demonstrated inadequacy of constitutional industrial action, have recently swung a good deal of sympathy in that direction. Nor is the bulk of the Labor movement strictly constitutionalist, as most of the Labor Party leaders are. It is swayed by contemporary events and emotions, and will follow the leaders whose policy seems to promise best at a particular moment. Just now, the Labor Party, which suffered some eclipse during the period when industrial action was in the forefront, is again making great headway, and would undoubtedly command the support of the great mass of the organized workers.

The set-back to the policy of "direct action" clearly does not mean that strong Trade Unions are less necessary to the workers. They are indeed more necessary, in proportion as their functions are less spectacular. Their rôle for the present, from the Labor standpoint, is twofold. They have, first, to fight a rearguard

action, if possible without actual strikes or lock-outs, against the attempts of the employers to cut down wages and worsen conditions. Secondly, they have to prepare, and to train their members, against the day when a forward move towards the establishment of democratic conditions in industry becomes possible. With these objects, Trade Unions are busily consolidating their forces by amalgamation of rival and overlapping Societies, reforming their methods of internal administration, and initiating schemes of education for their members. A very important plan for the development of Trade Union educational work, submitted by a special committee of Trade Union leaders, is now before the delegates to the coming Trade Union Congress.

Action on these lines, and an intensification of political activity, are clearly indicated as the policy of British Trade Unionism in the immediate future. In one sense, they seem a sad contraction from the ambitious plans and demands of 1918 and 1919, when momentous changes in the industrial system appeared to be in immediate prospect. Labor has produced its plan for a "New Social Order," and has marched once or twice with it round the walls of the city of Capitalism. The walls have not fallen, and it is now understood that the struggle will be longer and far more arduous than was at first imagined. But the aspirations themselves are still there, and have gained a far deeper hold on the British working-class than they had when they were first brought forward. The next phase of the struggle, to be begun with the first favorable turn of economic and political conditions, is likely to bring the forces of the Labor movement far more fully into the field, because there is now a clearer and deeper insight into the issues on which the contest turns.

G. D. H. COLE.